

SAP Customer Success Story

“[With SAP solutions], Yara reaps the benefits of proven solutions that deliver a measurable return on investment and the ability to standardize our technology and simplify our IT landscape.”

Sten Erik Berntsen, CIO, Yara Industrial AS



AT A GLANCE

Company Name

Yara Industrial AS, Norway
www.yara.com

Industry

Industrial gases and chemicals

Key Challenges

- Efficiently gather and disseminate customer information across the company
- Gain insight into customer trends and identify business opportunities
- Notify sales representatives of deviations and exceptions
- Streamline and improve the delivery process

Implementation Partner

SAP Systems Integration (SAP SI)

Solution and Services

SAP NetWeaver™:
SAP® Business Intelligence (SAP BI) and SAP Mobile Infrastructure (SAP MI)

Existing Environment

- SAP R/3® (this functionality now available in mySAP™ ERP)
- SAP NetWeaver with the SAP Enterprise Portal (SAP EP) component
- mySAP Customer Relationship Management (mySAP CRM)

Implementation Highlights

- Easy SAP BI implementation because of SAP NetWeaver deployment
- Out-of-box SAP functionality eliminated need for customization
- Successful knowledge transfer from SAP SI to Yara IT personnel

Key Benefits

- Simple, centralized access to pertinent information from the portal
- Faster realization of business goals through simplified deployment of SAP NetWeaver
- Streamlined and improved delivery process
- Reduced IT administrative and management efforts by running multiple applications on a single platform

Hardware

HP servers

Operating System

Microsoft Windows



YARA INDUSTRIAL AS

SAP NetWeaver™ IMPROVES BUSINESS PROCESSES FOR A GLOBAL GAS AND CHEMICAL PROVIDER

SAP PROVIDES THE BACKBONE

Recently spun off from the Norway-based Norsk Hydro Group, Yara Industrial AS produces and sells industrial gases and chemicals worldwide. Yara has used the SAP® Enterprise Portal (SAP EP) component of the SAP NetWeaver™ platform and the mySAP™ Customer Relationship Management (mySAP CRM) solution for almost three years to help gather and share information among its 450 employees. The company was an SAP Ramp-Up customer for mySAP CRM. A need to streamline and improve business processes led Yara to implement two additional SAP NetWeaver components: SAP Business Intelligence (SAP BI) and SAP Mobile Infrastructure (SAP MI).

With a strong belief in application integration and a vision to enhance the value of its offerings by maintaining close ties with its customers, Yara initially chose SAP Enterprise Portal to provide seamless access to mySAP CRM functionality for its employees. SAP EP enables companies to customize pages to fit their needs, and Yara found that the enterprise portal component largely fit its needs right out of the box.

That experience is similar to the company's experience with other SAP solutions. "SAP software provides the backbone for all of Yara's business processes and is the preferred solution. If we require functionality other than what SAP provides, the project is treated as a deviation from the norm. We are very conscious of our organization's desire and need to limit the number of business applications deployed, and SAP enables this by providing a breadth and depth of functionality across a variety of business areas," explains Sten Erik Berntsen, CIO of Yara Industrial. "We generally use standard SAP functionality across all applications and, more often than not, are perfectly happy with the performance and capabilities as they are delivered."

GAINING INSIGHT INTO TRENDS AND RECOGNIZING OPPORTUNITIES

Yara is now deploying the SAP Business Intelligence component of SAP NetWeaver to enable all employees to report on CRM processes, such as business partner relationship management, lead and opportunity management, and activity management. "We intend to use SAP Business Intelligence across all of our business processes, but our most urgent need is to support our CRM deployment," says Berntsen. "In particular, we do not currently have good insight into the success rates of our opportunity and lead management activities. Some of our sales and marketing processes are very complex and pass through many stages. It is critical that we understand at what stage an opportunity exists and ultimately know the results of our efforts. We also need to provide management with reports on trends and overall opportunity developments. Only SAP Business Intelligence can provide the insights and reporting capabilities we need to analyze our data."

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He continues: "Where we actually anticipate the most benefit from SAP BI isn't through the traditional reporting capabilities. We are keenly interested in the advanced functionality, such as the ability to broadcast information and real-time alerts

through SAP Enterprise Portal.

This will allow us to notify our sales team of situations that need immediate attention, which will ultimately help improve customer relations and our revenues. The alerting features are very impressive. We can issue sophisticated alerts, such as notifying

our sales representatives to contact 'all customers with a turnover above a certain threshold not visited in the last three months.' Without such automated functionality, our sales representatives must manually track customer issues and proactively check the system to ensure that their opportunities and accounts are moving along as they should. We want them to spend time on deviations and exceptions instead of ensuring that all is normal, and we foresee that SAP BI can enable that."

"Some of the appeal of the SAP BI and SAP EP integration is how it enables any employee to run a report," continues Berntsen.

"SAP Enterprise Portal automatically triggers relevant reports when an employee visits a certain page, such as 'My activities' or 'My department's opportunities.'" At the same time, the iView software of SAP EP allows employees to perform more advanced and detailed analysis of the data when necessary.

Berntsen had originally planned for Yara to implement SAP BI in late 2004, but another SAP installation project convinced him to begin sooner. "In early 2004, we began installing the SAP NetWeaver platform to support the SAP mobile engine for mobile applications that will help us improve our gas and chemical delivery processes," he says.

THE NEED TO IMPROVE DELIVERIES

Most of Yara's industrial gases are supplied to customers in cylinders, and Yara needs to track these cylinders to ensure prompt and proper delivery. It also needs to comply with legal requirements, such as the ability to recall cylinders quickly. Before implementing SAP Mobile Infrastructure, Yara generated and tracked delivery orders strictly via manual, paper-based processes, which proved time-consuming and was prone to error. This sometimes led to the wrong quantities or types of gas and chemicals being delivered to customers, which resulted in additional costs to correct the delivery and caused a delay in invoicing and collections. Perhaps most important, it left a negative impression in customers' minds.

Working with a team of experts from SAP Systems Integration (SAP SI), Yara is currently running a pilot of SAP MI to support its mobile application in Norway, Denmark, Germany, and the United Kingdom to address these issues. A handful of plant operators and delivery drivers are using ruggedized handhelds running Microsoft Pocket PC 2003 supplied by Intermec Technologies Corporation. These operators and drivers now receive all needed delivery data at the beginning of every day by synchronizing their handhelds with the home office. Cylinder bar codes can be scanned directly into the handheld, and for those instances when bar codes have faded, the driver or plant operator can check the master data list maintained on the handheld for identification.

At the end of each day, data is uploaded to the home office system so employees can view a list of cylinders delivered to a specific customer or to all customers, along with delivery information, such as date, time, and driver name. Employees can also generate reports that display a history of deliveries and cylinder returns by customer, the delivery and storage history of cylinders, and the status (commissioned, empty, filled, or delivered) of a cylinder.

SUCCESSFUL PILOT, KNOWLEDGE TRANSFER

"While it is too early to know all the results of implementing SAP Mobile Infrastructure, based on the pilot, we are optimistic that it will enable us to greatly streamline our supply chain processes, improve our customer relations, and realize revenues more quickly," says Berntsen. "We are very happy with the support and knowledge provided by SAP SI.

The focus of our engagement was knowledge transfer that would enable our employees to build and maintain these mobile application solutions by themselves, and that has been very successful. The skills and knowledge gained by our internal staff will allow them to support the company's strategy of leveraging technology that helps improve our business processes and customer relations," he says.

UNANTICIPATED BENEFITS

"As soon as we installed SAP NetWeaver in support of the SAP Mobile Infrastructure implementation, we saw that we could deploy SAP BI with little additional effort. This was an unplanned benefit and completely supports SAP's claim that it is possible to run multiple business applications within the same SAP NetWeaver installation," states Berntsen.

"If you run several applications on a single platform, you avoid a lot of work associated with software patches, administration, and upgrading, to name just a few areas. Yara Industrial's IT staff consists of only a handful of people who oversee both in-house development and operations. When necessary, outside resources supplement the in-house personnel. We have found that because of the quality of SAP solutions, we can run them with very little external help. SAP's reputation of delivering heavy solutions requiring a lot of manpower and money is not warranted, and we are proof of this. We are doing this with very few resources," explains Berntsen.

“Because we are still in the process of rolling out the SAP BI and SAP MI applications to all users, we haven’t yet fully realized all the benefits associated with server consolidation and simplified administration and infrastructure, but we are seeing that these benefits will be possible. In fact, we are already accelerating our plans to upgrade to mySAP ERP so we can fully realize the benefits enterprise-wide,” says Berntsen.

SAP SUPPORTS YARA NOW AND IN THE FUTURE

To date, all 450 Yara employees use SAP Enterprise Portal, and the company plans to roll it out to all customers so it can serve as a Web-based entry point for all customer interactions. By the end of 2005, Yara expects more than 150 plant operators and delivery drivers will use handhelds. Yara also anticipates deploying mySAP CRM mobile sales capabilities on the handhelds so ultimately all Yara agents, employees, and external partners will use mobile applications to improve processes. “As a forward-thinking company, we are always interested in technologies that help us easily and quickly strengthen our customer and partner relationships. Because SAP provides solutions that address a range of business issues, Yara reaps the benefits of proven solutions that deliver a measurable return on investment and the ability to standardize our technology and simplify our IT landscape,” concludes Berntsen.